



## The impact of corporate social responsibility on community development: Evidence from Ghana

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### Abstract

Corporate bodies have come to the realisation that establishing a strong rapport with surrounding communities is vital for the growth, success and survival of their organisations. This article delves into Corporate Social Responsibility (CSR) activities of business organisations operating in Ghana. Specifically, it looks at how CSR initiatives of sampled companies contribute to community development (CD). To attain this aim, both quantitative and qualitative research approaches were adopted. The purposive sampling technique was used to select companies operating in three main sectors of the economy. Secondary data sources such as companies' periodicals, annual reports, websites, newspapers and publications by government agencies were used. The findings of the study reveal that the selected companies engaged in various forms of CSR activities that contribute to CD. The general focus of these companies is on education, health and people empowerment. It is recommended that stakeholders' engagement needs to be fully practised in the course of CSR implementation.

**Keywords:** Community, community development, corporate social responsibility.

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## 1. Introduction

In recent times, organisations are more oriented towards engaging in self-regulated activities to benefit the communities in which they carry out their business activities. The business sector has the necessary human resource, financial capital and physical resources to contribute to community development (CD). Over the last few decades, the concept of Corporate Social Responsibility (CSR) has received great attention by business executives, academicians and the society at large. Business organisations that think of achieving their long-term objectives and obtaining sustainable growth work closely with the local community in which their business activities are being conducted. Those businesses take cognisance of the impact of their activities on stakeholders. CSR is considered as a fundamental component of doing business by many large U.S. and U.K. firms, and these firms realise the need to connect their CSR activities with firm competencies (Dunfee, 2006). Ofori & Hinson (2007) posit that internationally linked Ghanaian companies appear to have a better understanding of various aspects of CSR and how these could be utilised to the advantage of businesses, but, they used more of traditional approaches to CSR than contemporary ones. Ghanaian firms are aware of CSR and are devoted to it. However, the level at which they understand the concept seems to be narrowed to philanthropic activities (Abugre & Nyuur, 2015). CSR focuses on the general mode of a company trying to balance its commitment to essential stakeholders in its business environment (Ebert & Griffin, 2017, p. 76). CSR is basically a concept whereby an organisation willingly decides to take initiatives that meet the demands and/or contribute to improving the welfare of its stakeholders (shareholders, customers, government, suppliers, employees, communities, among others).

The benefits of CSR to the firm and to the society cannot be overemphasised. For example, Posnikoff (1997) postulates that the financial performance of a company is positively linked to its CSR implementation. Both the firm and society stand to benefit when a company is socially responsible (Porter and Kramer, 2006). Businesses are instrumental when it comes to provide job avenues, wealth, goods and services that improve social conditions over time. Arnold (2017) holds the view that the first benefit that flows from CSR is improved the relationship between companies and communities. Organisations that recognise the significance of CSR, formulate policies, practices and strategies that connect the objectives of their organisations with socially responsible activities. A company does not merely become socially responsible by complying with the legal regulations of the setting in which it operates. A socially responsible company adopts business approaches that exceed the lowest legal requirements and seeks for an opportunity to contribute to the welfare of individuals and groups in its social environment.

The fundamental goal of this article is to critically examine the impact of CSR on CD in the Ghanaian context. This has become the centre of the article due to the gap identified in the surveyed literature where there are little studies focusing specifically on the effect of CSR on CD as well as providing a holistic picture between these two variables. The study extends its focus to CSR theories, the concept of CSR and CD and the impact of CSR on CD in Ghana. It further presents practical examples of CSR activities of business entities in Ghana and the conclusion was drawn.

## 2. Review of literature

The essence of this part is on reviewing existing literature in the area of CSR and its impact on CD.

### 2.1. *Corporate social responsibility*

There is a high attention and a substantial amount of literature on CSR focusing on different aspects of the concept. With this great attention given to CSR, one could be tempted to conclude that the concept has a definite and universally accepted definition; however, this is not the case. There are varying definitions of the concept across many countries and within the context of academic literature. Also, there are different terminologies or words used synonymously or interchangeably

with CSR. The most common ones are corporate philanthropy, corporate citizenship, business and society, CD, stakeholder management, corporate environmental management, sustainable development, community relations, triple-bottom line and corporate societal marketing (see Bassen, Meyer & Schlange, 2006; Kotler & Lee, 2005; Matten and Moon, 2004). The growing attention given to CSR by organisations and various stakeholders including international bodies, governments, among others contributes to the spread of the definition of CSR (Ofori, Darko & Nyuur, 2014). In spite of a lot of efforts to lead to a vivid and unprejudiced definition of CSR, there still exists a misunderstanding concerning how to define CSR (Dahlsrud, 2008). Dahlsrud found and analysed 37 definitions of CSR originated from 27 researchers. Out of critical analysis of these definitions, it was identified that they were referring to five main dimensions of CSR (environmental, stakeholder, voluntariness, economic and social). In this article, efforts are made to make reference to definitions that captured these dimensions and other equally key aspects of CSR, as well as relate to the main subject matter of this article. Let's take a look at some of these definitions.

CSR in general terms describes the criteria applicable to consumer protection, improvement of employment opportunities and working conditions, obligations to shareholders and other stakeholders, work ethics, sensitivity to ecological structure and prevention of environmental pollution, society protection and all humanity (Simsek, Celik & Akgemci, 2018, p. 460). CSR can be viewed as a 'contract' between community and business firm wherein the former accords the latter a license to function and in return expects the firm to make commitments and act in an appropriate way (Woodward-Clyde, 1999). In the view of Roberts, Rapson and Shiers (2007), CSR is a manifestation of a business enterprise's commitment to lessen the effect of its business activities on the environment in which it does its business operations. CSR is a pledge by corporations to ameliorate the wellness and well-being of their host communities via utilisation of its resources and good corporate practices (Kotler & Lee, 2005). CSR can be described as practices employed by an organisation that surpass societal or shareholder expectations, spelt out in regulation or corporate governance (Johnson and Scholes, 2002). These definitions maintain the essentials of CSR by pointing to the fact that business organisations have a relationship or an agreement with the society as a whole and a social contract that must be redeemed with a higher obligation.

The World Business Council for Sustainable Development (2000) as part of eight continental definitions of CSR provided defines CSR in the case of Ghana as relating to the development of manpower for sustainable livelihoods. It acknowledges cultural diversities and identifies business opportunities in developing the abilities of workers, the society and the government. This definition encapsulates the socio-cultural, political and economic situation of Ghana. It gives emphasis to business obligations to government, empowerment and capacity-building programmed for the people in the community. Some renowned Ghanaian researchers also offer their insights on CSR by employing both local and global perspectives. CSR refers to a corporation's obligation to be responsive to the needs of its stakeholders in its operation and to take into consideration not only the financial aspect in decision making but also the social and environmental impacts (Atuguba & Dowuona-Hammond, 2006). CSR is an avenue used by business firms to manage and maintain a balance in economic, environmental and social responsibilities they owe the community (Amponsah-Tawiah and Dartey-Baah, 2011). From their viewpoint, CSR can be used as a strategic move of dealing with social forces that have the tendency of hindering the accomplishment of organisational goals.

The aforementioned definitions of CSR share certain commonalities and a point of congruence. These definitions entreat businesses to take responsibility for their total effect on the communities in which they conduct their operations and align business values with societal needs in order to obtain a good corporate image and achieve sustainable competitive advantage and growth. In the same vein, it can be deduced that society expects businesses in their course of meeting the demands of various stakeholders to properly balance the different legal, ethical, economic, moral, discretionary and social responsibilities they encounter in the business setting.

## **2.2. The concept of CD**

Communities are made up of those with whom we share similar values, beliefs and worldviews; outside of these consists of those who are dissimilar, not like us. The community provides a sense of belonging, interdependence, guidance and association as well as sustains us in our social transformation efforts (Bettez, 2013). Community is a social entity consisting of a group of people with diverse background who share common values; interact regularly among themselves and work together towards the attainment of a common purpose. CD combines 'community' and 'development' to denote a means for mobilising communities to join states or institutional initiatives that target poverty reduction, providing solutions to societal problems, promoting democracy, strengthening families, and attaining modernisation and socio-economic development (Campfens, 1997, p. 25). Hence, CD describes the creation, strengthening and maintenance of community as a social feature of a local population. It is a common avenue of ameliorating the standard of living of a group of people residing in a community. Thus, CD captures improvement in the economic, social and quality of life of residents of a society (Theodori, 2005). CD relates to initiatives embarked on by the community in collaboration with external bodies such as government and non-government organisations, and business organisations of different kinds and sizes to empower individuals and groups of people by imparting on them the necessary skills to bring about needed change in their respective communities. Those skills are usually centred on how to make effective and efficient utilisation of locally available resources and developing political influence by creating large social groups that work for a mutual purpose (Ismail, 2009). CD is a form of social, economic and environmental transformation which improves the lives of the community dwellers. CD is more effective if the people of the community are allowed to participate in the development processes including seeking their involvement in problem identification, analysis and implementation of the best possible solution. It is also worthy to state that the process is demanding and not trouble-free. Its success is never certain and may be accompanied by frustration, disappointment and pain.

## **2.3. Theoretical framework of the study**

There are different types of theories underpinning CSR. However, in the context of this study, the researchers discuss the utilitarian, managerial and relational theories. These three theories are chosen due to the fact that the proponent (Secchi, 2007) of these theories made critical analyses, comparisons and critiques of existing CSR theories, as well as considering their weaknesses and strengths before arriving at those integrative theories. For instance, in developing the aforementioned theories, the proponent reviewed and evaluated the works of researchers such as the likes of Preston (1975), Klonoski (1991) and Garriga and Mele (2004). After a comprehensive review of research on CSR theories, Garriga and Mele (2004) proposed four types of theories of CSR (Instrumental, Political, Integrative and Ethical theories). Secchi (2007) discovers that these researchers focused on 'what' issues or the deontological' perspective rather than the 'how' or 'where' issues of CSR. The three main theories are briefly elaborated below.

### **2.3.1. Utilitarian theories**

The corporation is viewed as a segment of a broader mechanism, thus, the economic system. In this context, the business behaviour is usually examined as a profit maximising role, where challenges of externalities and social costs crop up, regardless of what takes place inside the box (external perspective). The term utilitarian primarily touches on a traditional economic approach to a business entity – largely witnessed in the first part of the last century and the immediate years after the Second World War (Secchi, 2007). Friedman (1970) opines that society ought to set structure through regulation and businesses to harness profits within this framework. To better appreciate the fundamentals of a utilitarian approach to social responsibility, Secchi divided a utilitarian group of theories into two main categories. These are namely social revenues and costs of the firm, and the other is functionalism.

### **2.3.2. Managerial theories**

This category of theories characterised the emphasis scholars put on corporate management. This group of theories adopts an internal approach to social responsibility problems. As stated by Secchi (2007), the most important distinction between the managerial and utilitarian theories is on the fact that the latter approaches begin with a consideration of social responsibility starting from within the organisation. Managerialists make use of a business-centred approach. Hence, all other things from the external environment of the firm are primarily tackled through organisational decision-making.

### **2.3.3. Relational Theories**

These theories emanate from the complex nature of the relationships between firm and environment. Scholars belonging to this group put relationships that exist between the business entity and the environment at the forefront of their studies. They do not concentrate on only the environmental analysis or analysis of organisational dynamics only in dealing with social issues. Conversely, they study how the two correlate and intertwine, thus the emphasis lies on interrelations. Based on this, it is possible to view relational theories as a sort of 'opening up' of the managerial or utilitarian approaches (Secchi, 2007). It makes sense for businesses to integrate social demands into the internal business activities since they usually depend on the community for growth, and continuity and even for the survival of the firm itself. Relational theories are categorised into four sub-categories. These are corporate citizenship, stakeholder approach, Business and society and theory of social contract.

## **2.4. Review of empirical findings of the impact of CSR on CD in Ghana**

A substantial number of studies have been done on CSR in general and its effect on firm performance, economic, sustainable and socio-economic development (See Kolk & van Tulder, 2010; McWilliams & Siegel, 2000; Robertson, 2009; Selcuk & Kiyimaz, 2017). However, there is a meager amount of studies specifically designated for establishing the link between CSR and CD. Nonetheless, herein is a critical review of some of the related studies.

Asumah (2015) carried out a research to determine the effect of CSR activities of Anglogold Ashanti on Obuasi community and found that the executed CSR activities of the company have an influence on the lives of the people in the community. In an attempt to examine how CSR contributes to CD and conflict prevention, Issifu (2017) carried out a research in that regard. The findings of the study depicted that the strategically developed CSR model transferred from Newmont mines in Minera Yanacocha in South Africa, Peru and Bolivia has positively contributed to peace and CD in mining areas in Ghana. It was also revealed that the CD foundation fund set up by the Newmont Ghana Gold Limited has helped to improve the economic self-sufficiency of the host communities relevant for peace and development.

In a research conducted by Amoako (2016), on how the CSR contributions of five Multi-National Companies in Ghana affect local communities. The findings of the study revealed the CSR activities of the examined companies play a major part in CD. Ansah (2013) in his study relating to CSR in Ghana: A Comparative Analysis and Business Imperative, found CSR programs to be community focus initiatives, mainly programs on education and programs on CD.

It is apparent from the forgoing empirical findings that CSR plays an instrumental function in CD and also provides value to firms that involve in it resulting to their long-term success and survival. It must also be emphasised that companies' participation in CD initiatives leads to a congenial relationship between companies and their host communities. Communities expect business organisations operating in their territories to partake in social development projects, being mindful of the negative consequences of their operations on the communities and act in a socially responsible way. As evident from the above review that some companies respond to these demands by engaging in several CSR activities that have the potential of projecting the companies to be socially responsible and showing commitment to CD.

### 3. Conceptual framework of the study

Figure 1 is a diagrammatic presentation of the type of relationship that exists between the study variables. In the context of this study, the independent variable is CSR and the dependent variable is CD. The study aims to assess how CSR contributes to CD.

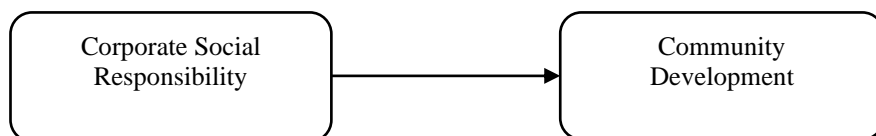


Figure 1. Conceptual framework of the study

### 4. Methodology of the study

The main purpose of this study is to investigate the impact of CSR on CD in the context of Ghana. To achieve this aim, both quantitative and qualitative research approaches were employed. This approach gives the researcher the opportunity to have an access to a wide range of possible empirical materials to critically understand the intricacies of the phenomenon. In terms of data collection sources, largely secondary sources of data such as magazines, books, journal articles, companies' periodicals, newspapers and publications by government agencies were used. The article also uses published annual reports and a website analysis of companies' CSR activities to determine the general contribution of companies' CSR activities on CD in Ghana. These last two sources (annual reports and websites) can be said to be credible source due to the fact that companies use them to convey their objectives, policies, practices, activities and performances to stakeholders. The type of sampling technique used in this study to select the companies is purposive sampling. This sampling technique is used in the sense that not all companies in Ghana engaged in CSR activities. This technique was specifically used to choose the companies operating in Ghana to reckon to be instrumental in their contribution towards CD through CSR activities. The current study focuses on main companies operating in three major sectors of Ghana as its sample size. These sectors include telecommunications, mining and banking sector. The specific companies subjected to the study are captured under the respective findings of each sector.

#### 4.1. Results and discussion

The findings of this study are presented on the basis of CSR activities and expenditure of the selected companies. An assessment of their CSR contribution is made through a review of the chosen companies' published annual reports and websites. Annual reports covering a period of six years were considered.

##### 4.1.1. Mining sector

The researchers start with a focus on the contribution of the mining sector towards CD through its CSR activities and expenditure. Table 1 presents the annual reports of the money expended on CD projects by the producing mining members under the Ghana Chamber of Mines. The Ghana Chamber of Mines serves as an employer association for companies engaged in the mining industry in Ghana. As part of its vision and mission statement, it recognises the need to implement activities and services that tackle community needs and problems. The Chamber has five main groups of membership. These are affiliate, exploration, contract mining, represented, pre-production and represented. The represented members group is the top in the hierarchy of membership and is divided into represented member level A and B. The members in the represented level A include Adamus Resources Limited, Gold Fields Ghana, AngloGold Ashanti Limited, Asanko Gold Ghana Limited, Chirano Gold Mines, Golden Star Resources Newmont Ghana Limited, Ghana Manganese Company Limited and Perseus



Mining (Ghana) Limited. Precious Minerals Marketing Corporation is currently the only mining company in the represented member level B (The Ghana Chamber of Mines, Factoid 2016).

**Table 1. Mining sector socio-economic contribution (US\$)**

Socio-economic contributions	2011	2012	2013	2014	2015	2016
<b>Health</b>	407,052	696,267	1,479,904	2,278,188	1,245,160.87	1,185,726
<b>Education</b>	1,767,790	2,627,407	1,615,766	1,958,895	4,881,435.26	1,767,790
<b>Electricity</b>	1,917,227	675,837	405,801	601,149	368,239.52	396,225
<b>Roads</b>	1,368,497	1,619,277	2,029,584	1,464,607	1,166,873.44	3,295,488
<b>Water</b>	1,437,529	1,001,818	1,561,361	724,822	677,889.62	343,497
<b>Housing</b>	165,633	277,236	264,198	522,284	75,357.93	508,729
<b>Agro-industry</b>	54,982	155,544	130,561	57,004	-	-
<b>Agriculture</b>	1,407,674	1,531,716	374,280	354,172	83,685.72	54,097
<b>Sanitation</b>	202,762	404,767	583,384	689,408	242,125.46	208,555
<b>Resettlement</b>	29,345,274	7,583,140	68,624	3,025,322	4,814,535.77	3,380
<b>Action Plan</b>						
<b>Alternative Livelihood</b>	175,935	1,853,298			960,471.14	489,250
<b>Projects(Others)</b>			1,236,646	4,295,824		
<b>Others</b>	5,528,313	8,250,046	2,373,943	4,890,261	3,312,122.35	4,508,936
<b>Total</b>	43,732,833	26,676,354	12,124,052	20,861,936	17,827,897.09	12,288,960.86

Source: The Ghana Chamber of Mines, Factoid, 2016.

As clearly depicted in Table 1, the mining sector is making tremendous contributions towards CD through investment into various socio-economic projects. The contribution of the mining industry as seen from the table covers multiple of social areas such as roads, education, health, housing, water, agro-industry, resettlement, agriculture, sanitation, alternative livelihood and other projects. In the year 2011 alone, the producing member mining companies spent a whopping sum of US\$43,732,833 in a wide range of socio-economic projects. That year recorded the highest amount of money spent by the mining companies compared to other years under consideration. In the succeeding year (2012), the expenditure incurred on CD stood at US\$26,676,354. The year that received the lowest amount of money spent on CSR activities from the table is 2013 with US\$12,124,052. No amount of money was spent on alternative livelihood for years 2013 and 2014. A critical look at the table also indicates that three major areas – education, agriculture, water and health keep on receiving a substantial amount of investment or contribution by the mining sector. This perhaps is an indication of the great attention given to these areas by the sector. Also, according to the Ghana Chamber of Mines (2012) its producing member mining companies expended a gargantuan amount of US\$ 114,014,117 on CSR between the year 2004 and 2011. The mining industry as part of its participation in social interventions, in April 2019, donated mattresses, state-of-the-art incubator, six beds and cabinets to the Government hospital in Bimbilla, a town located in the east of northern region of Ghana. The donated items, according to the Chamber of Mines amounted to GHS30,000 and it was meant to improve the general well-being of the people in the town. The results found in this sector concur with the findings of Amponsah-Tawiah and Dartey-Baah (2011) and Arko (2013) in their respective studies.

#### **4.1.2. Telecommunication sector**

Having looked at the involvement of the mining sector in CSR activities, let us now take a look at the contributions and participation of the telecommunication sector towards CD. In this section, the telecommunication companies that will be under reviewed are MTN Ghana and Vodafone Ghana. These two are arguably the two giant telecommunication companies in the industry. They have demonstrated to be the leading mobile telecommunications services provider in Ghana.

MTN Ghana as of December 2017 has a market share of about 55.09% and more than 17.83 million subscribers (MTN Ghana, 2018). MTN Ghana appears to have adopted a proactive stance to CSR in the sense that it views itself as a social citizen that supports the arguments of social responsibility and seeks the opportunity to contribute to CD. This assertion can also be substantiated with the fact that the company sets up a foundation in 2007 and named it 'MTN Ghana Foundation' to directly give financial and non-financial assistance to the communities in which it operates so as to impact the lives of the dwellers of these communities positively. Currently, the foundation broadly focuses on education, economic empowerment and health. Undoubtedly, the foundation is a good course and it is rolling out suitable social interventions that lead to improving the quality of lives of beneficiaries. As a policy, MTN Ghana allocates 1% of its profit after tax to Corporate Social Investments (CSIs) projects. According to the annual report of MTN Ghana (2018), the organisation through its foundation has invested more than US\$13.5 million on over 145 major projects cutting across the length and breadth of the nation. These projects span through health, education and economic empowerment. It is believed that these social interventions have impacted the lives of millions of Ghanaians. For instance, in the area of education, MTN foundation through its Bright Scholarship Scheme has provided 1,000 scholarships to needy and brilliant students at all levels of the educational ladder. This has offered an opportunity for the beneficiary to have a feel of education, which is relevant for societal and economic development. In a quest boost standard of health and help to reduce pressure on health facilities, company through its foundation constructed a 40-bed maternity block for the Tema General Hospital. It has also engaged in blood donation exercise programs, where it collects blood from donors and distributes it to hospitals. The company also has a program called 21 Days of Y'ello care, where its employees are entreated to devote time and actively participate in CD activities. Admittedly, the CSR activities of MTN Ghana have positively impacted the lives of many people in Ghana. It is no wonder the company has been recognised and awarded different local and international prizes for its CSR investment and participation. For example, in 2015, 2016 and 2018, MTN Ghana Foundation won overall CSR Company of the Year awards of Ghana CSR Excellence Awards (GHACEA) under auspices of Centre for CSR West Africa. In 2016, the company was also awarded the IPR Best Community Relations Programme of the Year by the Head of State Awards (HoSA) Scheme. Rotary International also honoured the company for its immense support towards the fight against polio in Ghana in 2016.

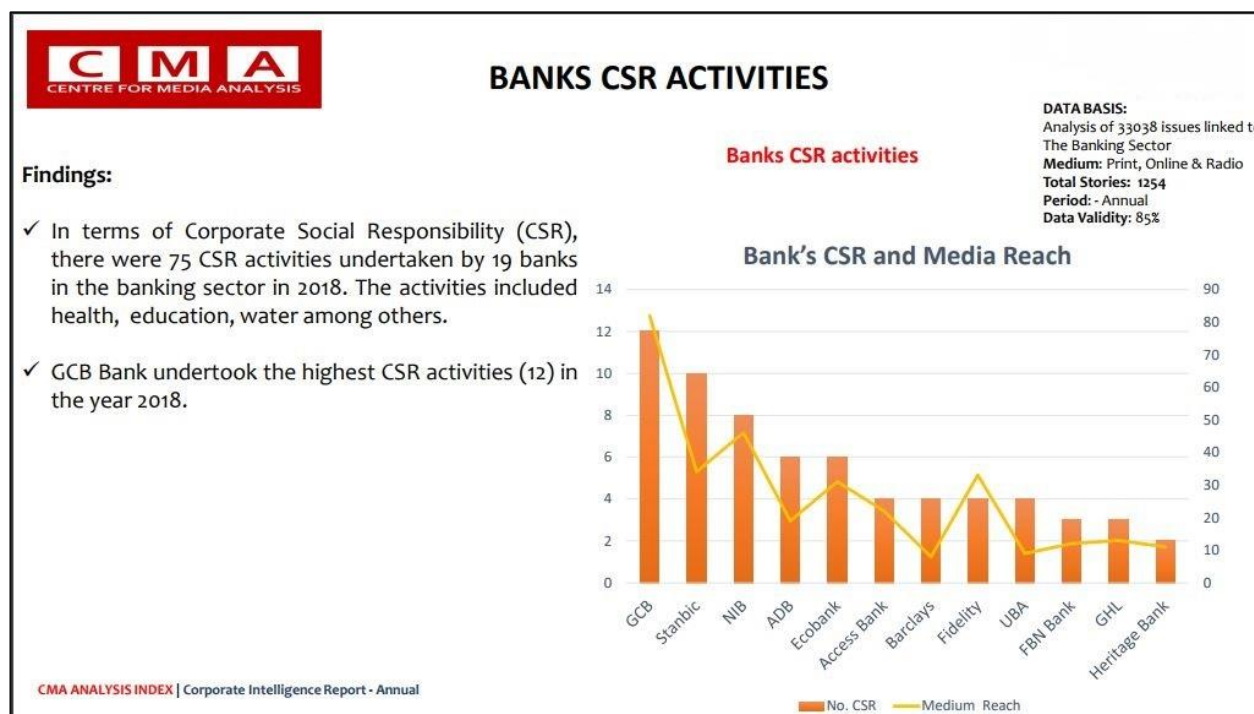
Vodafone Ghana is a company with affiliation to Vodafone Group Plc. Vodafone Ghana has its roots from Ghana Telecom, which was solely owned by the government of Ghana until 7th August 2008 then government entered into a deal with Vodafone. In this deal, Vodafone Group Plc has a 70% share of the company with the remaining 30% stake owned by the government of Ghana. Vodafone Ghana just like MTN Ghana has been relentlessly playing an instrumental role in CD through the implementation of a wide variety of CSR activities. The company similarly has specifically designated its CSR activities to a foundation named as 'Vodafone Ghana Foundation'. This shows the level of importance and proactive approach the company attached to CSR practices. Vodafone Ghana Foundation which serves as the charity division of the telecom company was established in 2009 with the main aim of embarking on projects and programs that significantly impact the lives of people, address vital social needs and stimulate social change. The foundation undertakes CSI projects in the areas of education, health, agriculture, entertainment and people empowerment. It achieves these through its initiative programmes such as Healthfest, Healthline, Instant Schools, Vodafone Scholars, among others. Using one of its social intervention programmes called annual homecoming, the company had settled the medical bills of thousands of patients in different health centres across Ghana. To mark the 61st Independence Day of Ghana on 7th March 2018, it paid the medical bills of about 300 patients at Korle-Bu Teaching Hospital who were unable to clear their own bills. To increase the survival rate of premature babies born in hospitals, the telecom company donated 10 incubators to the Tamale Teaching Hospital in 2012. The company also provides annual financial assistance to its employees to invest in areas that will bring about meaningful effects on the community. This is done through Vodafone Ghana's Employee Volunteerism Projects. The employees of the company have been effectively utilising the funds they receive from the foundation as this is evident in some of the heart-touching social interventions they undertake. The employees have used money received to build



or renovate library facilities in different parts of the country. The Vodafone Ghana Foundation has also embarked on charitable donations, blood donation exercises, provision of scholarships and training and mentorship programmes. For instance, in 2015, the company donated an amount of £100,000 to support victims of the 3rd June flood. Due to the instrumental role, the company plays in bringing hopes, smiles in the face of Ghanaians and positively transmogrifying their lives, it has been recognised and awarded by different local and international organisations. For example, in 2016 and 2018, Vodafone Ghana won CSR Awards for Health and Education respectively of GHACEA under the tutelage of Centre for CSR West Africa. It won the CSR Programme of the Year for three consecutive years, from 2011 to 2014 (Vodafone Ghana, Sustainable Business Report 2018, [vodafone.com.gh](http://vodafone.com.gh)). The results found in this sector are consistent with the findings of Amoako (2016) and Amponsah-Tawiah and Dartey-Baah (2016) in their respective studies.

#### 4.1.3. Banking sector

All the banks operating in Ghana are under the supervision and regulation of the Central Bank of Ghana. Bank of Ghana serves as an umbrella body that monitors and plays oversight responsibility on the activities of banks in Ghana. According to the central body (Bank of Ghana) as of January 2019, there were 28 registered and licensed banks in Ghana. The banking industry just as the earlier mentioned sectors engaged in socio-economic development by instituting projects geared towards improving the lives of Ghanaians.



**Figure 2. CSR activities of banks in Ghana**  
 Source: Centre for Media Analysis, 2019.

Figure 2 represents the number of CSR activities partook by 19 banks in the year 2018. In total, all the banks involved in 75 CSR activities. These findings were made known to the public by an independent and private research institution known as Centre for Media Analysis. As seen from the above figure, GCB Ghana Ltd conducted the largest number (12) of CSR activities out of the total number of CSR activities undertaken by all the banks. Stanbic Bank came second in the rank with 10 CSR activities, followed by National Investment Bank Ltd, Agricultural Development Bank Ltd and the

last in the rank is Heritage Bank. The graph only shows the first to twelfth banks in the rank. The remaining seven banks are not displayed on it.

Furthermore, a painstaking review of annual reports and websites of these banks resulted in the following impressions and deductions. CSR activities on education, environmental protection, sports development and health appear to dominate their overall CSR participation in the communities in which they operate. Some of these banks perceive CSR as a strategic move to build, nurture, enhance and integrate a cordial relationship with their clients. Some use CSR to enhance the image, visibility or reputation of their operations or business as a whole. It will be of interest to consider practical examples of CSR initiatives of some banks in Ghana. For instance, Fidelity Bank donated an amount of GH¢50,000 in 2015 to support the funding of an Intensive Care Unit project at Korle-Bu Teaching Hospital. The bank has also demonstrated its commitment to sanitation, health and agriculture through CSR initiatives. It constructed a 12-seater biofil toilet facility in Accra in 2015 and mobilised over \$3 million to impact the lives of rural farmers across the country. It recently donated a total of 1000 Treated Insecticide Mosquito nets to two schools in the Eastern Region of Ghana (Fidelity Bank Annual Report, 2015 and 2018). Another bank that has also contributed tremendously to CD through CSR activities in the areas of education, health, environmental protection is GCB Bank Limited. Among the CSR activities undertaken by the bank include eye screening exercise organised for the inhabitants of Tamale, Naton, and Tolon, market women assistance and a donation to the Tamale Central Hospital. All these expenses amounted to a tune of GH¢280,000. Last year (2018), the bank as part of its 65th Anniversary initiated nationwide CSR projects amounting to GH¢100,000. It is not surprising that in the year 2018, GCB Bank Limited was awarded the best Bank in CSR activities. In 2013, Ecobank Ghana Ltd in an effort to contribute towards education made a donation comprising different items to 25 schools across Ghana amounting to GH¢319,000. Overall, the findings on this sector concur with that of Ofori et al. (2014) and Nyarku & Hinson (2017) in their studies on banks operating in Ghana.

## **5. Conclusion**

From the above findings and discussion, it is plausible to infer that all the surveyed companies in the three major sectors (mining, telecommunications and banking) engaged in various forms of CSR activities that contribute to CD and consequently improve the standard and quality of lives of Ghanaians residing in those vicinities. There appear to be a general focus of these companies on three main areas of the economy. Largely, keen attention is given to education, health and people empowerment. It is reasonable for these companies to have given great interest and attention to these areas since development in these areas will not only help to uplift the economic indicators of Ghana but also ensure a steady level of customers who are healthy, educated and economically empowered to patronise the products of those companies devoting to CSR activities. It is, however, prudent for these companies to also give high consideration and attention to CSR activities gearing towards environmental protection since the issue of climate change is paramount and factual. Knowingly or unknowingly, these companies are indirectly contributing their quota towards UN Sustainable Development Goals.

### **5.1. Recommendation**

Given that CSR can be used as a tool to frame strategies, approaches and balance an organisation's commitment to the needs and demands of its stakeholder, there is the need for the sampled organisations to view it beyond a philanthropic venture and entrench it into the entity's core values and policies. An organisation's approach to CSR needs to be strategic and proactive and not a mere conformity to the legal framework and public outcry. Stakeholders' engagement needs to be fully practised in the course of CSR implementation. The residents of the community should be consulted and involved when companies are implementing CSR activities in those communities. This is necessary as there appears to be a disconnection between the social interventions provided by companies and what the communities perceive to have desired.

## 5.2. Limitation of the study

The current study cannot be said to be free of certain limitations. Its reliance on secondary data may imply that the data used may contain some elements of external subjectivity. Focusing on only three sectors (mining, telecommunication and banking) out of several sectors of the economy may constrain the generalisation of the findings of the present study.

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